



D R A F T

ATTACHMENT

City of Santa Barbara

Water Supply Management Report

2013 Water Year (October 1, 2012 – September 30, 2013)

Water Resources Division, Public Works Department
December 2013

INTRODUCTION

The City of Santa Barbara operates the water utility to provide water for its citizens, certain out-of-City areas, and visitors. Santa Barbara is an arid area, so providing an adequate water supply requires careful management of water resources. The City has a diverse water supply including local reservoirs (Lake Cachuma and Gibraltar Reservoir), groundwater, State Water, desalination, and recycled water. The City also considers water conservation an important tool for balancing water supply and demand. The City's current Long-Term Water Supply Plan (LTWSP) was adopted by City Council on June 14, 2011.

This annual report summarizes the following information:

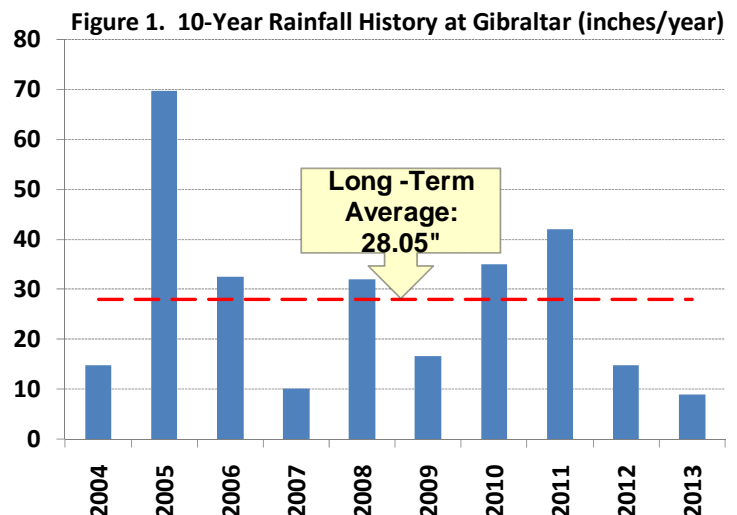
- The status of water supplies at the end of the water year (September 30, 2013)
- Water conservation and demand
- Drought outlook
- Major capital projects that affect the City's ability to provide safe clean water
- Significant issues that affect the security and reliability of the City's water supplies

Appendix A provides supplemental detail. Additional information about the City's water supply can be found on-line at: www.SantaBarbaraCA.gov/water

WATER SUPPLIES

The City has developed five different water supplies: local surface water; local groundwater (which includes water that seeps into Mission Tunnel); State Water; desalinated seawater; and recycled water. Typically, most of the City's demand is met by local surface water reservoirs and recycled water, augmented as necessary by local groundwater and State Water. The City's desalination facility is currently off-line.

The City's local surface water comes from Gibraltar Reservoir and Lake Cachuma, both of which are located in the upper Santa Ynez River watershed. The inflow to these reservoirs is rainwater, so rainfall data for Gibraltar Reservoir is important for water supply management purposes. Figure 1 shows rainfall for the past ten years as



compared to the 54-year average. Additional historic information is included in Appendix A. Runoff generated by average rainfall is generally enough to fill Gibraltar; however, it typically takes above-average rainfall to produce any significant inflow to Cachuma. Rainfall in the Santa Ynez River watershed during 2013, as measured at Gibraltar, was 68% below average, resulting in very little inflow to Lake Cachuma. To enhance rainfall, the City participates in the cloud seeding program administered by the County of Santa Barbara. However, the program has been limited in recent years due to budget considerations and concern about potential erosion of burn areas.

Table 1, below, summarizes the status of the City's various water supplies at year-end.

Table 1. End of Year Status of City Water Supplies*	
Lake Cachuma	Total Capacity: 186,636 AF (2008 survey for 750' elevation) End of Year Storage: 91,922 AF Percent of Total Capacity: 49% The City's share of the Cachuma Project's normal annual entitlement is 8,277 AF. Actual use was 11,326 AF, reflecting some use of carryover water as well as entitlement. Remaining 2013 entitlement has been carried over to the current year.
Gibraltar Reservoir	Total Capacity: 5,246 AF (2013 survey) End of Year Storage: 402 AF Percent of Total Capacity: 8% Gibraltar Reservoir typically fills and spills two out of every three years. Deliveries over the past ten years have averaged 2,649 AFY. Deliveries in 2013 were 1,663 AF.
Mission Tunnel	Groundwater that seeps into Mission Tunnel is an important part of the City's water supply, providing 963 AF in 2013, about 22% below the long-term average.
Groundwater	Groundwater levels remain high in the downtown storage basin, since pumping has been less than the annual recharge rate during the past decade. Levels in the outer State Street area remain lower than normal due to previous additional use of groundwater to meet water quality requirements. Construction of the Ortega Groundwater Treatment Plant was completed in September 2013, and 5 out of 9 production wells are currently available for use with two more expected to be available in 2014. The City used 662 AF of groundwater during 2013.
State Water Project (SWP)	The City has a 3,000 AF "Table A" allotment, plus 300 AF drought buffer. The Coastal Branch and Santa Ynez Extension of the SWP are in place to deliver the City's SWP water into Lake Cachuma, subject to availability of water supplies. The City used 41 AF of State Water in October 2013, all of it exchanged with Santa Ynez River Water Conservation District, Improvement District No. 1 pursuant to our obligation under the Exchange Agreement. For the remainder of the 2013 water year, the City's obligations under the Exchange Agreement were transferred to Montecito Water District.
Desalination	The desalination plant remains in long-term storage mode and no water was produced this year. Staff projects no need for desalinated water within at least the next 4 years.
Recycled Water	The City's recycled water system serves parks, schools, golf courses, other large landscaped areas, and some public restrooms. The system provided 847 AF, or 5.9% of the total customer water demand, plus 264 AF of process water at El Estero Wastewater Treatment Plant (EEWTP). In recent years, recycled water has included a significant percentage of potable water for blending to meet water quality standards and reduce mineral content, with 897 AF of blend water used in 2013. Design of a rehabilitated tertiary filter system is complete to reduce the use of potable water for blending in the near term and facilitate eventual elimination of blending.

*The Water year runs from October 1 through September 30. All data above is as of September 30, 2013

CITY WATER CONSERVATION PROGRAM

In accordance with the LTWSP, the Water Conservation Program is operated to minimize the use of potable water supplies, meet the requirements of the California Urban Water Conservation Council Best Management Practices, and achieve compliance with the State's 20% x 2020 per capita water use reductions. Water conservation measures are evaluated for cost effectiveness based on avoided cost of additional water supplies. Highlights of the City's Water Conservation Program include the following activities:

- Began implementation of the Water Wise Commercial Survey and Incentive Program for large commercial water users, identifying strategies to substantially reduce water use. (7 water wise surveys completed this year.)
- Continuing to implement the comprehensive South Coast Water Conservation Marketing Plan with past years highlights including new regional Water Wise brand launch, development of the Water Wise Garden Contest, installing an Ocean Friendly Garden at Spencer Adams Park and planting upgrades to the Water Wise Demonstration Garden at Alice Keck Park Memorial Gardens.
- Smart Landscape Rebate Program: 50% rebate on eligible, pre-approved material costs for landscape water efficiency (550 pre-installation inspections completed and 267 rebates issued since program inception);
- Free residential and commercial water check-ups (634 completed this year);
- Smart Rebates Program providing rebates for high efficiency clothes washers, toilets and urinals;
- Trainings and partnerships with landscape and horticultural organizations including: Water wise landscaping and graywater workshops with local irrigation supply stores and non-profit organizations, participating in CLCA's Water Management Certification Pilot Program, and signed a Memorandum of Understanding with Santa Barbara Botanic Garden for joint activities and promotion;
- 131 participants in the free delivery of mulch; and
- Water education program reaching approximately 5,000 K-12th grade students per year.

MONITORING OF WATER SUPPLY AND DEMAND

Water demand has traditionally been measured by total water system production, because water is produced to meet the customer demand. This includes both potable and recycled water. New State requirements for water conservation have established a "20% by 2020" target based on gallons per capita per day (GPCD). Since the production numbers provide historical context on our demand, and per capita water use is the new mandatory metric, both are being tracked. Figure 2.A illustrates the traditional historical tracking of water system demand. Total system water production was 14,397 AF for 2013 (excluding El Estero process usage). Figure 2B shows monthly GPCD water use values, as well as a moving 12-month GPCD average. Usage for 2013 was 129 GPCD. Both values are somewhat above the projected targets, which is to be expected given 68% less local rainfall than average during the year and a corresponding increase in irrigation water usage.

Figure 2.A.

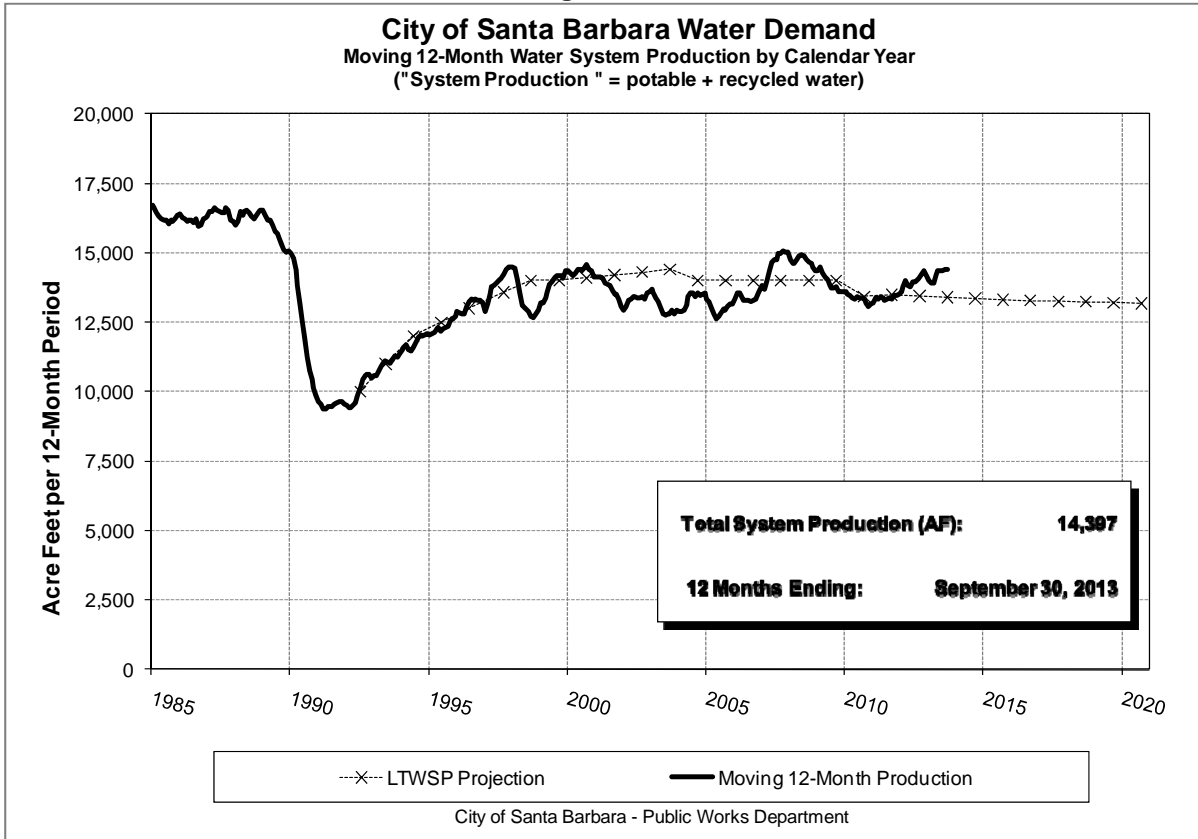
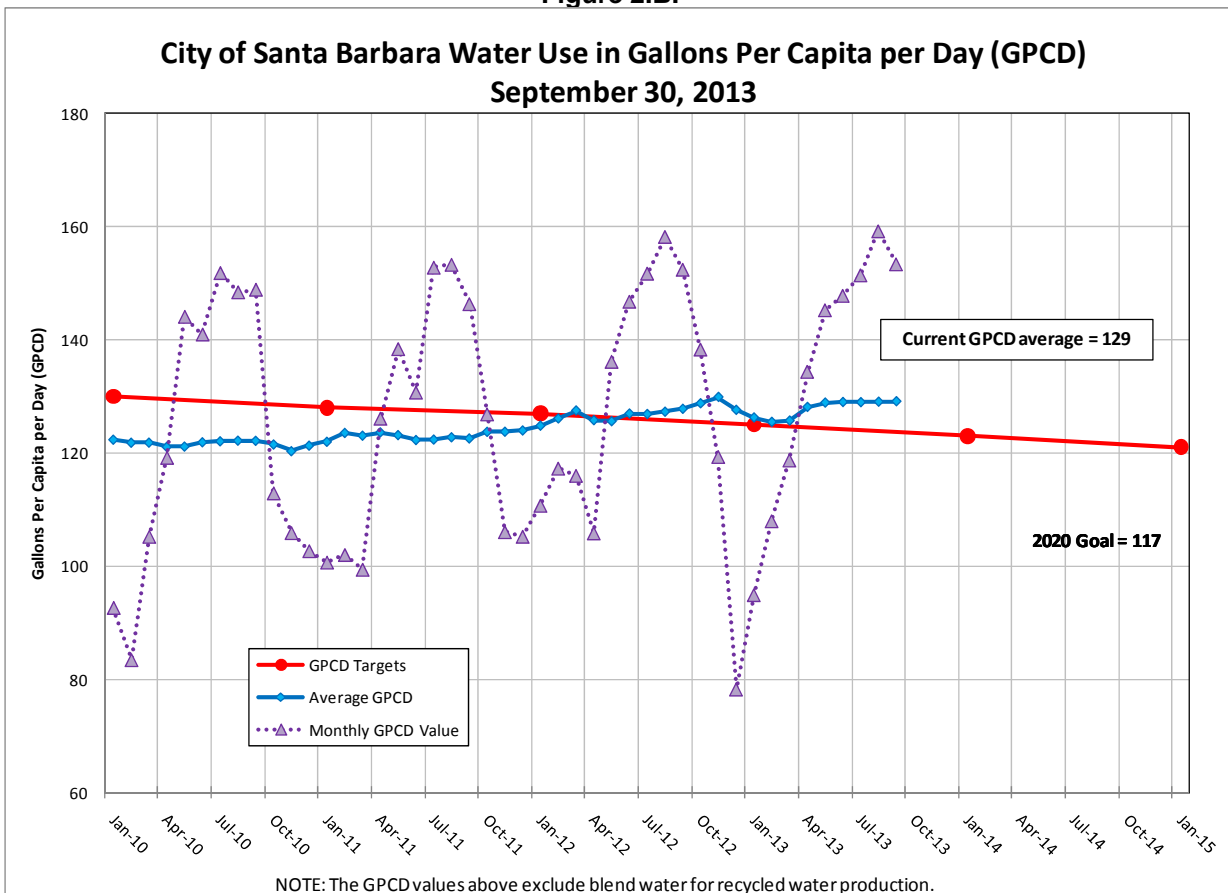


Figure 2.B.



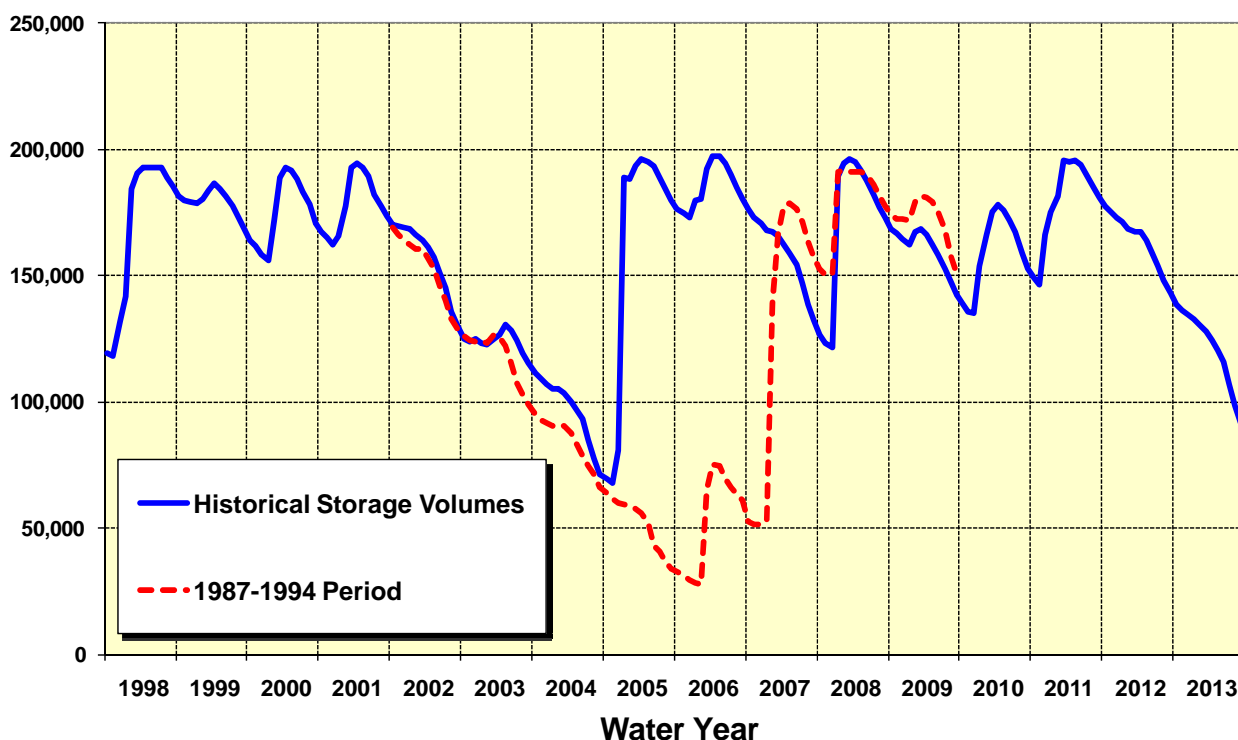
DROUGHT OUTLOOK

Because the City depends heavily on local surface water, our water supply reliability is vulnerable to prolonged drought. Lake Cachuma is our primary source of surface water and its storage level is the most important indicator of potential near-term drought impacts. Figure 3 shows a recent history of storage levels at Lake Cachuma. The severe drought period of 1987-1992 is also shown for comparison to the less severe dry period of 2002 through 2005. Cachuma members normally begin to take voluntary reductions in deliveries when the reservoir storage drops below 100,000 AF as a way of stretching supplies in case drought continues.

Figure 3.

Recent History of Lake Cachuma Storage Levels (AF)

With 1987-1994 Period Shown for Comparison

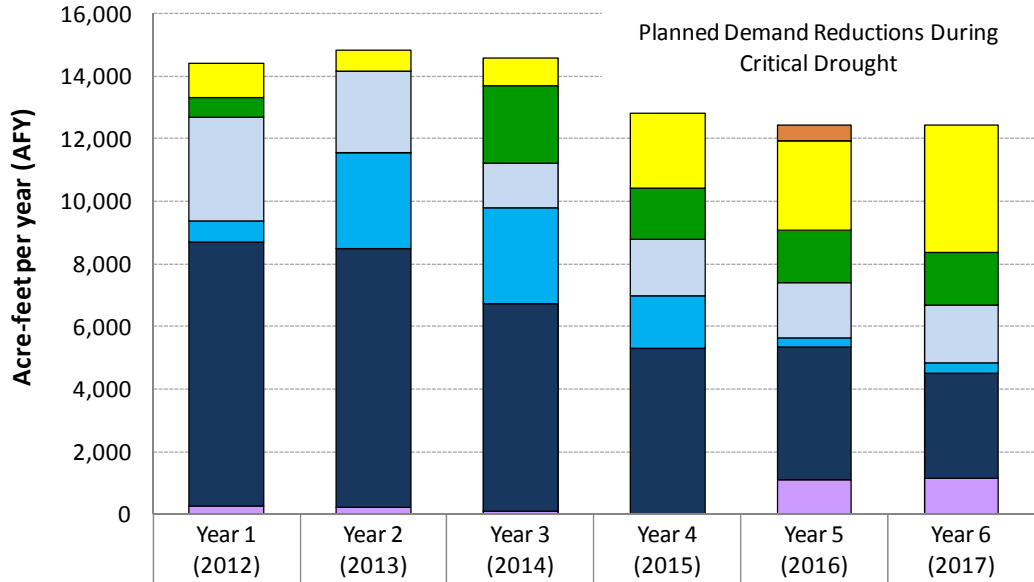


Under the current LTWSP, the City's water supply is planned to meet 100% of unrestricted customer demand in most years and no less than 85% of demand during the latter portion of a 6-year period of below average rainfall, which defines our "critical drought period." When rainfall is below average, there is limited inflow to Lake Cachuma and the storage level continues to drop. Our management plan assumes the first year after a spill at Cachuma may be the first year of a 6-year critical drought period. Figure 4 shows a projection of how water supply sources would be used to meet demand over such a 6-year period. Since 2011 was the last spill at Lake Cachuma, 2013 was Year 2 of a potential critical drought period, and we are now in Year 3. The projection assumes availability of supplies consistent with the assumptions in the LTWSP. Use of Cachuma carryover, State Water carryover, and increased groundwater pumping offset reductions in surface water availability as the drought progresses. The figure shows planned extraordinary demand reductions of 11%, 14%, and 14% for the fourth, fifth, and sixth years respectively. This is consistent with the LTWSP's planned reduction policy during a critical drought period and is an important part of cost effective drought response.

Figure 4.

6-Year Dry Weather Water Supply Projection

Assumes Below Average Rainfall & Planned Demand Reductions Up to 15% During Critical Drought



	Year 1 (2012)	Year 2 (2013)	Year 3 (2014)	Year 4 (2015)	Year 5 (2016)	Year 6 (2017)
Banked Water/ Water Purchases	0	0	0	0	500	0
Groundwater	1,070	662	910	2,379	2,883	4,100
State Water	625	0	2,450	1,650	1,650	1,650
Gibraltar/Mission Tunnel	3,330	2,626	1,427	1,794	1,767	1,883
Cachuma Carryover/MWD	658	3,049	3,101	1,682	300	300
Cachuma	8,469	8,277	6,622	5,297	4,238	3,390
Recycled Water	242	214	90	0	1,115	1,130

CAPITAL PROJECTS

Staff continues work on a number of projects to improve the reliability and quality of City water supplies:

- Ortega Groundwater Treatment Plant:** Construction of the treatment facility upgrade was completed in September 2013; the upgraded plant was online in November 2013. A low-interest State Revolving Fund (SRF) loan was used to fund this project. The project goal is to maintain availability of an important part of the City’s water supply to meet peak demands, provide back-up for depleted surface water supplies during drought, and provide an emergency water supply in the event of catastrophic supply interruptions, such as tunnel failure.
- Advanced Water Treatment Project:** This project adds ozone pre-treatment facilities at the Cater Water Treatment Plant. Construction was completed in September 2013. A low-interest SRF loan was used to fund this project. The ozone project is a regional solution for the City of Santa Barbara and Montecito and Carpinteria Valley Water Districts to reliably comply with the federally-mandated Stage 2 Disinfection By-product Rule for drinking water.
- Recycled Water Treatment Plant Rehabilitation:** Final design of a project to rehabilitate the recycled water filters was completed in November 2013, with construction anticipated to be complete in summer 2015. The goal of this project is a

filter process upgrade to reduce the use of potable blend water and maintain compliance with recycled water standards.

- ***Corporation Yard Well Replacement:*** A new potable water production well has now replaced the old well at the City's corporation yard on Laguna Street. The original well was over 35 years old and deteriorated to the point of no longer being usable. Drilling of the replacement well was completed in May 2013 and design of the above ground facilities is now underway. The well is expected to be online by Summer 2014. The well will connect to the Ortega Groundwater Treatment Plant, and is essential for maintaining groundwater production capacity.

WATER SUPPLY ISSUES

There are a number of significant issues related to the City's water supplies, discussed briefly below.

Long-Term Water Supply Plan: The City's 2011 Long-Term Water Supply Plan (LTWSP) was the product of numerous technical studies and a year-long collaboration between staff and the Water Commission to appropriately quantify our water supplies and develop policies to guide our water supply management over the next twenty years. The plan is available to the public on the City's website at the following address:

<http://www.santabarbaraca.gov/gov/depts/pw/resources/system/docs.asp>

The 2011 LTWSP was the basis for the City's State-mandated Urban Water Management Plan update (UWMP). The UWMP, including one addendum, has been determined to be in compliance with the State's requirements per the Urban Water Management Planning Act, thereby preserving the City's eligibility for State grants and loans.

Recycled Water Demand:

In accordance with the LTWSP, recycled water use by City customers will be expanded by 300 AFY, for a total of approximately 1,100 AFY of customer demand, not including process water at EEWTP. This year the City participated in the Integrated Regional Water Management South Coast Recycled Water Plan to identify technical, institutional, political, and social opportunities to advance the use of recycled water and address related constraints for implementation. The study identified both near-term and long-term goals for the expansion of recycled water use on the South Coast, including the City of Santa Barbara's recycled water system.

The LTWSP states that a contingency plan for eliminating the need for blending will be developed for implementation based on economic, regulatory or water supply requirements. In accordance with this policy, final design of a rehabilitated tertiary filter system was completed in November 2013 to reduce blending requirements in the near term and facilitate eventual elimination of blending.

Cachuma Project Water Rights Hearing: The Bureau of Reclamation (Reclamation) and the members of the Cachuma Project continue to await a decision on Cachuma Project water rights by the State Water Resources Control Board (SWRCB). The decision will reflect SWRCB's determination on a long-standing review of the Cachuma Project operations in terms of its effects on downstream water users and on public trust resources (steelhead trout). A December 2002 settlement agreement resolved a number of issues among several of the participants in the hearing, and is under consideration by the

SWRCB. The Final EIR for the decision has been officially entered into the hearing record and a draft water rights order is anticipated in January 2014. The SWRCB decision is important to the City because it could affect the amount of water available from Lake Cachuma for water supply purposes.

Gibraltar Pass Through Operations: The 2007 Zaca Fire burned approximately 60% of the Gibraltar Reservoir watershed, which normally contributes up to 35% of the City's water supply. On top of historical siltation, the additional sediment load resulting from the fire reduced the reservoir's storage capacity by 1,535 AF, leaving a current storage volume of about 5,250 AF. In 1989, the City entered into the Upper Santa Ynez River Operations Agreement (the "Pass Through Agreement") with other Santa Ynez River water agencies. The City agreed to defer its planned enlargement of Gibraltar Reservoir in exchange for provisions that would allow the City to "pass through" a portion of its Gibraltar water to Lake Cachuma for storage and delivery through Cachuma Project facilities. Due to the Zaca Fire effects, the City has elected to commence this phase of operations and is working with the Reclamation to negotiate a "Warren Act" contract, as required by federal law to allow such use of the Cachuma Project. Computer modeling work to assess the effects of Pass Through operations is now complete and is the basis for environmental review currently underway. The Pass Through option will allow the City to stabilize its Gibraltar deliveries as the reservoir continues to fill with sediment. An updated assessment of sediment management options is also planned, per the LTWSP.

State Water Project/Delta Issues: The Sacramento-San Joaquin Delta is a critical conveyance link for all water moved to the south by the State Water Project (SWP). However, the reliability of State Water supply is at risk due to drought, environmental restrictions, and seismic events. The Bay Delta Conservation Plan (BDCP) is a proposed solution that balances coequal goals of water supply and environmental benefits. In May 2013, a Revised Administrative Draft BDCP was released. The Draft BDCP and Draft Environmental Impact Report are expected to be released in December 2013 for a 120-day public review period.

The City receives State Water through the Central Coast Water Authority (CCWA), a regional wholesale water provider for areas within Santa Barbara County and San Luis Obispo County. Santa Barbara County's contract for State Water is set to expire in 2035. CCWA is currently negotiating a contract extension with DWR as well as other contract amendments. According to CCWA's legal support, if no agreement is reached, DWR can automatically renew the current contract through issuance of new revenue bonds past the current contract expiration date.

The City relies on State Water to a limited extent, but it can be an important source of water for banking as a way of increasing the reliability of our water supply. The City currently has State Water stored in groundwater banking programs in the western San Joaquin Valley.

Groundwater Management Plan: The City has relatively small groundwater storage, but it plays an important part in meeting demand during drought periods. It is also our only active potable water supply that is truly local. The latter is important in the event of a catastrophic interruption of water supplies from one or both tunnels through the Santa Ynez Mountains. During 2013, staff continued efforts to develop a formal Groundwater Management Plan to ensure that groundwater resources are managed so as to be available to contribute to the City's water supply during normal years, drought periods, and emergency conditions.

Appendix A – Supplemental Water Supply Information

Groundwater Balance

Project conditions of the State Water Project (SWP) require the City to use SWP water to offset any demonstrated groundwater basin overdraft. Under the LTWSP, the City uses groundwater conjunctively with surface supplies, such that significant groundwater use only occurs when surface supplies are reduced. Basins are rested following periods of heavy pumping to allow water levels to recover. As summarized in Table A-1, the perennial yield exceeds current and projected average annual pumping and groundwater basins are in long-term balance with no overdraft projected. More detailed analysis is available in the LTWSP.

Table A-1. Groundwater Balance

Estimated Perennial Groundwater Yield of Two Groundwater Storage Units in Use:	1,800 AFY
Approximate Pumping by Private Pumpers:	-500 AFY
Net Perennial Yield Available to the City:	1,300 AFY
Average projected City groundwater pumping under LTWSP at target supply of 15,400 AFY:	1,083 AFY
Groundwater Production in 2012-2013:	662 AF

Projection of Supply Availability

Table A-2 summarizes the City's water supply sources and fulfills a requirement of the project conditions for the SWP. The Water Year (WY) 2013-2014 Supply Plan reflects a projected total demand of 14,600 AF including ~300 AF for El Estero process water.

Table A-2. Sources of Supply (AF)

Source of Supply	WY 2013 Original Supply Plan	WY 2013 Actual	WY 2014 Supply Plan (Projected)
Gibraltar Reservoir	2,236	1,663	877
Cachuma Project	10,090	11,326	9,723
Mission Tunnel	813	963	550
Devil's Canyon	(w/ Gibraltar)	0	(w/ Gibraltar)
Juncal Res. (300 AF from MWD)	(w/ Cachuma)	(w/ Cachuma)	(w/ Cachuma)
State Water Project	56	41	2,450
Groundwater	661	662	910
Desalination	0	0	0
Recycled Water	444	214	90
Net Other Supplies ^A	(na)	-208	(na)
Total Production:	14,300	14,661	14,600
Total Demand:	14,300 ^B	14,661 ^C	14,600 ^B
Percent Shortage:	0	0	0

^A Represents miscellaneous production sources (positive values) and water used from the distribution system for purposes such as transfers to adjacent water purveyors or groundwater recharge.

^B Planned demands include ~300 AFY for El Estero process water.

^C Actual 2013 demand includes 13,550 AFY potable demand, 847 AFY recycled demand, and 264 AFY El Estero process demand.

Long-Term Rainfall Data

